Qwest.

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November 13, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

HAND DELIVERED

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C., 20554

Re: In the Matter of Truth-in-Billing and Billing Format, CC Docket No. 98-170

Dear Ms. Salas:

Enclosed for filing are the original and four (4) copies of Comments of Qwest Communications Corporation (Qwest) in the above-docketed proceeding.

Please acknowledge receipt of this filing by date-stamping the enclosed copy of Qwest's Comments included for this purpose.

Sincerely,

TK Gaugler

Tiki Gaugler
Federal Regulatory Attorney
Legislative and Regulatory Affairs

cc: Anita Cheng, Common Carrier Bureau (with diskette)
ITS, Inc. (with diskette)

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Before the
Federal Communications Commission
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
Truth-in-Billing and Billing Format	)	CC Docket No. 98-170

COMMENTS OF
QWEST COMMUNICATIONS CORPORATION

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November 13, 1998

Introduction

Qwest Communications Corporation (Qwest) hereby respectfully submits these comments in response to the Commission's Notice of Proposed Rulemaking released September 17, 1998 in CC Docket No. 98-170 (NPRM). In the NPRM, the Commission seeks comment on how to ensure that consumers receive complete, accurate, and understandable bills from telecommunications carriers. Qwest fully supports this goal but believes the Commission should focus on adopting general guidelines rather than prescriptive bill formats and line item descriptions. In addition, Qwest opposes adoption of any safe harbor language for Universal Service Fund (USF) or access charges. Such language will likely become de facto mandatory, and Qwest believes such regulation is unnecessary in the competitive long distance market.

Many of the Commission's proposals would impose significant administrative and cost burdens on carriers. Larger carriers that use invoice ready billing may be able to easily modify their billing systems, but many smaller carriers will be disadvantaged because their billing processes may not have such flexibility. Moreover, the costs incurred by carriers complying with stringent billing rules will increase the cost of telecommunications services and ultimately be paid by consumers.

I. The Commission Should Adopt Guidelines Rather Than Prescriptive Detailed Rules.

Qwest understands the Commission's concern that consumers receive billing information necessary to make informed choices in the competitive marketplace. Qwest believes, however, that the Commission's goal should be to ensure consumers receive an accurate, simple, and easily understood bill rather than one with very detailed and complicated information. Such information will likely confuse, rather than inform, consumers and thus lead to an increase in customer service calls and complaints.

Currently, Qwest utilizes both third-party billing through the local exchange carrier (LEC) and direct billing generated from Qwest's own systems. For direct billing, Qwest has implemented a simple consumer bill and is in the process of migrating business and wholesale customers to receive the same type of bill that is easy to read with a clear description of each charge. Qwest urges the Commission not to adopt overly burdensome prescriptive rules that may undermine the processes that Qwest and other carriers are already undertaking to meet consumer demand. Rather, the Commission should focus on general principles that may guide carriers without imposing undue costs or delays.

In the *Detariffing of Billing and Collection Services* proceeding, the Commission stated that deregulation would "serve the interests of subscribers by holding down the carriers' administrative costs of providing telephone service."[1] That finding still holds true. Some of the Commission's proposals will disadvantage or be cost prohibitive for smaller carriers. Moreover, where these carriers are able to modify their billing processes, the cost of doing so will be passed on to consumers. In the event the Commission opts in this proceeding to regulate billing with a heavy hand, consumers will ultimately bear the burden.

A. Organization of the Bill

The Commission should not adopt stringent, inflexible rules regarding the organization and format of consumer bills. Qwest's direct bills are organized and separated by the type of service provided (i.e. long distance calls, calling card calls, Home 800 calls, Internet service).

[1] *Detariffing of Billing and Collection Services*, Report and Order, 102 F.C.C.2d 1150, 1177-78 (1986).

Although the bills do not display these services on separate pages, each service category includes a service header and subtotal of charges by service so consumers can clearly distinguish among different services. Qwest proposes that the Commission not require such pagination for each service because carriers' invoice imaging, printing, and postage costs would significantly increase. This is especially true for a customer bill that includes many services with a small number of line items for each service. Where such a customer now receives a short bill with few pages, that same bill would unnecessarily extend over many pages if separate pagination for each service were required. This would lengthen an already easily understood customer bill and increase the carrier's costs of providing that bill. There is no benefit to imposing this further burden, especially when consumers currently complain about the excessive page limit of some bills.

In the LEC billing process, interexchange carrier (IXC) charges are displayed separately from local charges. As IXCs continue to offer a variety of local services, the LEC bill may be more complicated if it is separated by service category rather than by service provider. Furthermore, the LEC bill is driven by the functionality available in the LEC's billing system. Qwest believes that each proposal, separation of the bill by services and separation by service providers, may have merits in certain billing situations. For these reasons, the Commission should not mandate either format exclusively. Because both formats may provide customers with necessary information in an easily understood format, the Commission should allow individual carriers to determine which format is optimal.

Qwest opposes the Commission's proposal to require all carriers to include a separate summary page with the bill indicating the current status of the customer's services. Qwest agrees that the service provider for each service on the bill should be identified; however, Qwest does not agree that all bills should be required to have a summary of all of the telecommunications services for which a customer subscribes. Such status information is stored in the LEC system, not the IXC systems. Therefore, because Qwest does not have access to information regarding the customer's LEC or presubscribed toll carriers other than Qwest, we are unable to include such information on our direct bills. Imposing such a requirement where IXCs must access LEC billing information in order to generate direct bills would impose significant administrative and cost burdens. Thus, to the extent the Commission chooses to implement such a rule, it should apply only to LECs that have such information in their databases.

Qwest opposes the Commission's proposal that each monthly bill contain a separate summary section highlighting the changes in the customer's service since the last monthly bill. Presumably, the Commission is referring to highlighting only changes in recurring monthly charges rather than in one-time charges, such as casual calling or periodic use of calling cards. Qwest believes highlighting such one-time charges would be redundant and perhaps confusing to consumers who may believe they have subscribed to a new service merely by using their calling card to place a call. Qwest's direct billing system does not currently have the capability of providing information to customers regarding changes in their account from one month to the next, and Qwest would incur significant costs to incorporate such a requirement into our system. Additionally, carriers utilizing LEC billing are constrained by those systems, and the industry standard billing interface, Electronic Message Interface (EMI) casual billing format, does not have the capability for Qwest to provide information regarding new types of line item charges appearing on the bill for the first time.

Qwest supports the Commission's proposal to require carriers to notify customers when their carrier has been changed; however, Qwest urges the Commission not to mandate a specific method of such notification because most reputable carriers in some way currently notify their customers of the carrier change. Qwest, for example, mails a notification separate from the bill to welcome customers to our service and provide notice that Qwest is now their service provider. Some carriers, however, may choose to include such notification on the customer bill or in a billing insert. Qwest maintains this decision should be left to each individual carrier. The Commission aptly notes that many of the current slamming problems are caused by unscrupulous carriers; therefore, Qwest submits that the Commission should rely on enforcement of its slamming regulations rather than require all reputable carriers to incur increased costs of complying with a specific Commission-mandated notification requirement.

B. Description of Services and Identification of Providers

Qwest supports the Commission's edict that carriers provide consumers with full and non-misleading descriptions of charges on their bills; however, carriers are constrained by the restraints of the billing systems utilized. Larger carriers that use invoice ready billing have much more flexibility than smaller carriers in presenting text phrases on the bill. And while carriers may have some flexibility in providing descriptions in their direct billing systems, third-party billing is limited by the standard EMI format utilized by the LECs in billing text phrases. For example, the LEC billing systems have character limitations for a text message, ranging from 12 to 37 characters per line item. The 12-character minimum severely limits Qwest's ability to provide a lengthy description of each charge. In those cases where more than 12 characters are permitted, the line item description often spans two lines where the last word on the line may be cut off in the middle and continued on the second line. Some customers have been confused by this awkward two-line description, generating further customer service calls; therefore, for most

LEC billing, Qwest is effectively limited to the 12-character one-line description in order to minimize such customer confusion.

Qwest opposes a requirement that all bills differentiate between deniable and non-deniable charges. Qwest's billing system is not equipped to provide such a characterization, and we would incur substantial costs to implement such a modification. Currently, Qwest communicates with direct-billed customers about non-payment liability, including the termination of long distance service, through the use of dunning messages on the bill and separate mailings of dunning letters. For customers with disputes, a toll-free customer service number is provided on the bill, and a "dunning hold" may be placed on customer accounts to suppress dunning messaging and service disconnects until the complaints are resolved. In LEC billing situations, Qwest is ultimately restricted by the functionality of those systems to differentiate between deniable and non-deniable charges.

II. The Commission should not adopt safe harbor language to describe USF and access charges but should allow carriers flexibility to label and describe these charges.

Qwest opposes the Commission's proposal to adopt safe harbor language regarding Universal Service Fund (USF) and access charges on consumer bills. Although the Commission does not propose to mandate the use of such language if adopted, there is concern that such language would become de facto mandatory and carriers would be subject to enforcement action for not using such language. For example, if the Commission considers various descriptions proposed by carriers and selects one as the safe harbor description, carriers may be sanctioned for failing to use the Commission-preferred language. Qwest instead proposes that the Commission adopt guidelines requiring carriers to provide an accurate and complete description of the charges without identifying or describing them as government-mandated.

The Commission should not require a carrier to reconcile the USF and access charges on customer bills with the actual costs imposed on the carrier for that specific customer. While Qwest agrees that carriers should provide complete and accurate information regarding USF and access charges, we urge the Commission not to require carriers to explain their reasons for choosing one cost recovery method over another or to explain any net reduction in their access charges. Many smaller carriers did not receive the promised net reduction because of the adverse affect of the Commission's access charges rules, namely the increased costs of tandem-switched transport utilized primarily by smaller carriers, and these carriers should not be required to justify their method of cost recovery. Long distance service is competitively priced, and in such a market, carriers should be free to recover their costs in the most efficient manner as they determine. Moreover, providing a detailed reconciliation by customer would be nearly impossible, and compiling any type of accounting would significantly increase a carrier's administrative costs without producing any benefit to the consumer.

Conclusion

Qwest urges the Commission not to adopt inflexible prescriptive rules regarding billing formats and line item descriptions. Qwest and other carriers have already invested in modifying their billing systems to meet customer needs, and the Commission should not impose rules that would defeat those efforts. By instead adopting flexible guidelines, the Commission can ensure consumers receive complete and accurate billing information while also allowing carriers to continue to meet their individual customers' needs. Furthermore, because carriers will likely recover from their customers any increased compliance costs, consumers will ultimately pay the price of any heavy-handed regulation.

Respectfully submitted,
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